Approved For Recase (200 103101 Data Rule 200429 Asset 100040037-1

OCI No. 1558/63

CENTRAL INTELLIGENCE AGENCY Office of Current Intelligence 27 May 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: State Department Paper on the Succession Problem in Spain

- 1. This paper points up the uncertainty of the succession to Franco, a question of increasing importance, despite Franco's apparent vigor.
- 2. It emphasizes that while the mechanism already exists to provide for a chief of state after Franco's departure, there is no provision to determine who will wield the real power. This situation, together with the internal ferment engendered by popular desire for political freedoms, the beginnings of economic liberalization, and closer Spanish relations with Western Europe, indicates there may be difficulty in maintaining political stability in the post-Franco period.
- Another factor contributing to possible instability is Spain's lack of real experience with democratic institutions, particularly the free play of political parties and the existence of an independent labor movement. There is no assurance that the grudging allegiance accorded to Franco by most Spaniards will be enjoyed by his immediate successor. Liberalizing forces now at work are hampered not only by those powerful groups seeking maintenance of the status quo but also by the disunity of the non-Communist opposition groups who are best equipped to serve as the democratic parties of the future. The issue is whether progressive political liberalization under a likely successor regime could occur without creating political instability. ing strong sense of national unity, symbolized by a restoration of the monarchy, might for a time provide a framework within which positive political forces could develop.

State Dept. review completed

- Even under favorable circumstances, the post-Franco transition period is likely to involve a power struggle among vested groups. If Franco were assassinated or otherwise disappeared suddenly, there might be a near-chaotic situation which the Communists -- the only well organized clandestine party -- would seek to exploit. The fear of another civil war tends to restrain most Spaniards, particularly those able to recall the horrors of 1936-39, from risking civil strife. Restoration of the monarchy, while supported by the military, church, and big business and financial circles and probably acceptable to most of the population as a means to an orderly transition, would not necessarily solve the real succession problem of who is to control the government. It might be only a stop-gap measure and leave the basic issues still to be dealt with. Unless a restoration were accompanied by sincere efforts to modify the authoritarian structure and practices of the government, there would probably be unrest and political instability.
- The Franco regime will be followed by one of four types of government. In descending order of probability, these are: (1) an authoritarian regime similar to Franco's but willing to promote social as well as economic liberalization, albeit unwilling to permit political liberties: (2) a military dictatorship of reactionary cast; (3) a parliamentary democracy, either republic or monarchy; and (4) a leftist dictatorship, influenced or controlled by the Communists. There is also the remote possibility that no regime able to control the situation would emerge, and civil war would ensue. The first two types would encounter growing hostility from liberal-minded elements supported by militant labor groups on the grounds that they were dragging their feet on reforms or were actually a step backward. The third type might well founder from a combination of lack of political experience on the part of the democratic parties and opposition of strong, vested interests unwilling to see liberalization proceed apace. The fourth type seems quite improbable in view of the basic strong Spanish individualistic temperament.
- 6. The only issue that might be taken with this study is to point out that there is no real basis for the judgment in the opening sentence that Franco's personal rule is necessarily in its last stages. We

Approved For Release 2007/03/01F101ERNF/1740429A001100040037-1

have no reason to believe that he is about to step down or that his health is anything but sound. Also with reference to page 16, lines 1 and 2, the younger generation, without first-hand knowledge of the civil war, may not be averse to resorting to violence to achieve its own objectives, even though it risks another period of civil strife. In addition, the present era of "rising expectations" resulting from improvement in living standards in Spain and greater popular awareness of the higher benefits enjoyed by workers in other Western European countries will tend to promote a resolve on the part of Spaniards to better their own lot even at the risk of strife.